



MAYOR AND COUNCIL AGENDA

NO.

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DEPT.: Legal /CPDS

STAFF CONTACT: Paul T. Glasgow, City Attorney

DATE PREPARED: 2/24/05

FOR MEETING OF: 3/14/05

SUBJECT: Town Center - First Amendment to the Amended and Restated General Development Agreement by and among the Mayor and Council of Rockville, RD Rockville, LLC, and Federal Realty Investment Trust

RECOMMENDATION: Adopt resolution to approve and authorize execution of the First Amendment to the Amended and Restated General Development Agreement by and among the Mayor and Council of Rockville, RD Rockville, LLC, and Federal Realty Investment Trust in furtherance of the redevelopment of the Rockville Town Center

DISCUSSION: The First Amendment to the Amended and Restated General Development Agreement amends the Amended and Restated General Development Agreement for the Rockville Town Square, incorporating modifications to the Rockville Town Square redevelopment project that have occurred since the execution of the Amended and Restated General Development Agreement on June 14, 2004. The Amended and Restated GDA, and this First Amendment thereto, are highly complex documents that set forth the obligations, rights, and remedies of the City, Federal Realty and the Residential Co-Developer for the redevelopment of the Rockville Town Center.

Principal modifications contained in the First Amendment to the Amended and Restated GDA include changing the residential development to all condominium units; providing for the purchase by the residential co-developer of additional parking spaces in lieu of leasing spaces; deleting the provisions requiring the rental of parking spaces by the residential co-developer; approval of the construction lenders for the private improvements; elimination of insurance provisions requiring the procurement of an owners controlled insurance policy; and elimination of certain conditions precedent to the Phase II closing. The Phase II closing is anticipated to occur mid-March.

Options Considered: N/A

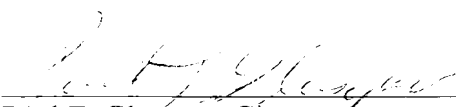
Fiscal Impact: The redevelopment of Town Center has significant cost implications for both the private improvements and the public improvements.

Change in Law or Policy: N/A

Boards and Commissions Review: N/A

Next Steps: Continue implementation of the General Development Agreement for the Rockville Town Center.

PREPARED BY:


Paul T. Glasgow, City Attorney


Date

LIST OF ATTACHMENTS:

1. Resolution
 2. First Amendment to the Amended and Restated General Development Agreement
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Resolution No. ____ RESOLUTION: To approve and authorize execution of the First Amendment to the Amended and Restated General Development Agreement by and among the Mayor and Council of Rockville, RD Rockville, LLC, and Federal Realty Investment Trust in furtherance of the redevelopment of the Rockville Town Center

WHEREAS, on October 22, 2001, the Mayor and Council of Rockville adopted Ordinance No. 29-01, which adopted the Town Center Master Plan as an amendment to the Master Plan for the City of Rockville; and

WHEREAS, the Town Center Master Plan was developed and endorsed by the Town Center Master Plan Advisory Group in consultation with Urban Design and Planning Consultants; and

WHEREAS, the goal of the Plan is to create a daytime, evening, and weekend activity center that incorporates a mix of uses, incorporates principles of “Smart Growth,” and recognizes the potential of ready access to the Rockville Metro Station; and

WHEREAS, on December 16, 2002, by Resolution No. 24-02, the Mayor and Council (the “City”) authorized the execution of a non-binding Letter of Intent by and among the City, Montgomery County, Maryland (the “County”), and Federal Realty Investment Trust (“Federal Realty”), to express their commitment to the redevelopment of the Rockville Town Center, describe the essential features of the redevelopment plan for that area of the Rockville Town Center bounded by North Washington Street, Beall Avenue, Hungerford Drive, and Middle Lane, and confirm the location of the new Rockville regional library on Beall Avenue; and

WHEREAS, on or about December 23, 2002, the non-binding Letter of Intent was executed by and among the City, the County, and Federal Realty; and

WHEREAS, on July 14, 2003, the Mayor and Council authorized the execution of a non-binding Term Sheet (the "Term Sheet") by and among the City, RD Rockville, LLC and Federal Realty to set forth the basic business terms for the design and construction of private improvements in the Rockville Town Center; and

WHEREAS, on or about July 15, 2003, the non-binding Term Sheet was executed by and among the City, RD Rockville, LLC and Federal Realty; and

WHEREAS, on or about September 9, 2003, a General Development Agreement was executed by and among the City, RD Rockville, LLC, and Federal Realty in furtherance of the redevelopment of the Rockville Town Center, the Town Center Master Plan, the Letter of Intent by and among the City, Montgomery County, and Federal Realty, and the Term Sheet by and among the City, RD Rockville, LLC, and Federal Realty; and

WHEREAS, on June 1, 2004, by Resolution No. 16-04, the Mayor and Council authorized the execution of the Amended and Restated General Development Agreement to incorporate the modifications to the redevelopment of the Rockville Town Center since the execution of the General Development Agreement dated September 9, 2003; and

WHEREAS, on June 14, 2004, the Amended and Restated General Development Agreement was executed by and among the City, RD Rockville, LLC, and Federal Realty; and

WHEREAS, the City, RD Rockville, LLC and Federal Realty desire to amend the Amended and Restated General Development Agreement to provide for additional

modifications to the redevelopment of the Rockville Town Center since the execution of the Amended and Restated General Development Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, that the Mayor or the City Manager is hereby authorized to execute a the First Amendment to the Amended and Restated General Development Agreement for the redevelopment of the Rockville Town Square (the "First Amendment") on behalf of the Mayor and Council of Rockville, with Federal Realty Investment Trust, and RD Rockville, LLC (including any entities controlled by or affiliated with RD Rockville, LLC in connection with the redevelopment of the Rockville Town Square), in a form which is substantially the same as the form of the attached First Amendment to the Amended and Restated General Development Agreement, subject to the approval of the City Attorney, and the City Manager and City Attorney are authorized and directed to implement and carry out the terms and conditions in the Amended and Restated General Development Agreement and the First Amendment thereto, including but not limited to, the execution and delivery of all documents required to implement the Amended and Restated General Development Agreement and the First Amendment thereto.

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I hereby certify that the foregoing is a true a correct copy of
a resolution adopted by the Mayor and Council at its
meeting of

Claire F. Funkhouser, CMC, City Clerk